

The President's Daily Brief

16 October 1971

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PRINCIPAL DEVELOPMENTS

North Vietnam has not yet commented on President Nixon's planned visit to the USSR, but recent visits to Hanoi by top Chinese and Soviet officials may have given the North Vietnamese some reassurance regarding Peking's and Moscow's intentions. *(Page 1)*

Moscow has begun to hint that a warming of Soviet-Japanese relations could lead to Soviet concessions on disputed islands seized from Japan after World War II. *(Page 2)*

Kosygin's visit to Canada reflects Moscow's efforts to cultivate the more independent-minded nations. *(Page 4)*

Controversy over China is expected to dominate the Japanese Diet session starting today. *(Page 5)*

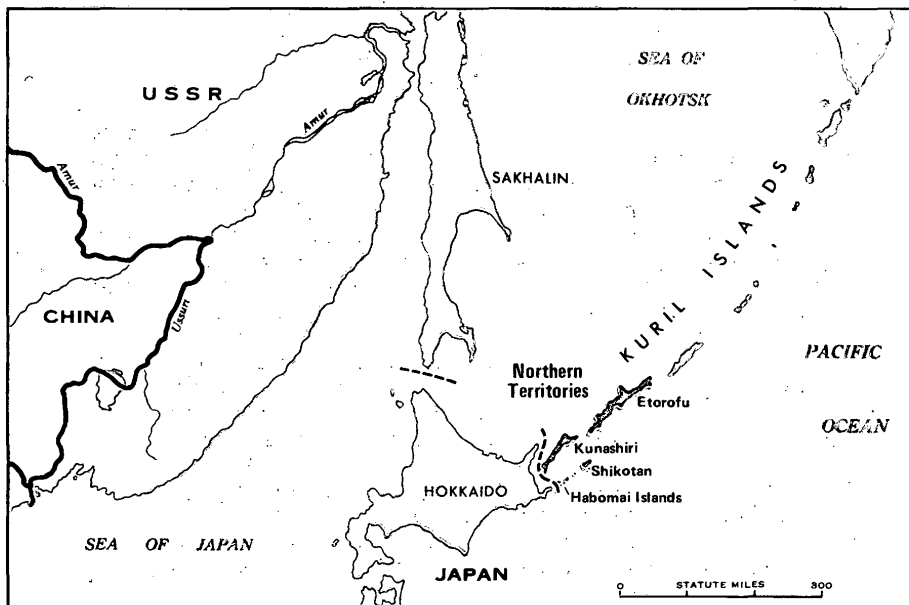
In Chile, a number of military officers are said to be expressing discontent with Allende's government. *(Page 6)*

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FOR THE PRESIDENT ONLY**NORTH VIETNAM - USSR - CHINA**

Hanoi has so far failed to comment on President Nixon's planned visit to the Soviet Union. The only response has come from a Viet Cong spokesman in Paris, who minimized the trip's importance by claiming that it was a matter between the US and the Soviet Union. Hanoi has never commented directly on the President's China trip, but for several weeks following the announcement its propaganda was filled with statements indicating suspicion of a Chinese sellout.

The Vietnamese currently may well feel some measure of reassurance concerning both Peking's and Moscow's intentions as a result of recent visits to Hanoi by a Chinese politburo delegation and by President Podgorny. Both visits produced substantial aid grants as well as pledges of support for Vietnamese terms for a war settlement. The new Chinese aid commitment could amount to at least the \$225 million supplied in the peak year of 1967--a considerable increase from the estimated 1970 total of \$180 million. Soviet comments suggest that Moscow's aid for 1972 will at least match this year's \$400-million commitment.



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USSR-JAPAN

Moscow has begun to hint that a warming of Soviet-Japanese relations could lead to Soviet concessions on the disputed Northern Territories--the islands which the USSR seized from Japan after World War II. Japan's claim to these islands has been a major stumbling block to improved relations with the USSR.

The hints which have persuaded some Japanese that Moscow is serious include:

--The assertion by the chairman of the Japanese Communist Party, following a trip to Moscow last month, that Soviet politburo member Suslov promised to give "serious consideration" to the territorial problem.

--A comment by a Japanese Embassy official in Washington that Suslov's remarks were only the latest indication of a possible change in the Soviet position.

--The statement of a Soviet Foreign Ministry official in mid-September to a Western diplomat in Moscow that the USSR was prepared to go a "long way" to solve the problem.

There are other signals from Moscow, however, which suggest that these hints of flexibility are not to be taken at face value. Last August politburo member Mazurov invoked Moscow's traditional position that the issue "already had been solved," and Gromyko took a similar position in his recent discussion at the UN with a former Japanese foreign minister.

There is indeed reason to question Soviet willingness to return the islands. The Soviets are very reluctant to surrender any territory, in part because they fear that this would encourage nations such as China to press their own claims against the USSR.

Soviet maneuverings on this issue most likely reflect Moscow's desire to exploit the current strains in US-Japanese relations over economic difficulties and dealings with China. They follow a series of

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approaches by Soviet diplomats to Japan last August suggesting that closer ties between Moscow and Tokyo could counter improvements in US-China relations.

Further efforts to entice Japan by hints of territorial concessions are likely. The Soviets could, for example, allude to a deal regarding the islands of Habomai and Shikotan, most desired by Japan and not geographically part of the Kurils. Or they could suggest economic concessions on the islands that would not involve renunciation of Soviet sovereignty.

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USSR-CANADA

Kosygin's visit to Canada on 17-25 October reflects Moscow's effort to cultivate the more independent-minded nations. This, in the Soviet view, includes Canada, in light of Trudeau's well publicized desire to diversify Canada's foreign ties. Another factor is Moscow's interest in balancing the impact of the Chinese Communist presence in Canada.

The trip is likely to produce agreements of a general nature calling for exchanges in economic, cultural, and scientific fields. The Canadians, however, are expected to reject a friendship treaty which the Soviets may propose as a follow-up to the consultation agreement signed during Trudeau's visit to the USSR last May.

Kosygin will meet with businessmen in several Canadian cities. The Canadians have indicated that Moscow is also pressing for a separate economic agreement, but Ottawa is resisting this idea. Nevertheless, Trudeau emphasized in a press conference yesterday that both the USSR and Canada are interested in expanding trade.

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JAPAN-CHINA

The China question will pervade the Diet session starting today--formally called to consider the Okinawa agreement--as factions of Sato's Liberal Democratic Party attempt to manipulate this issue to enhance their own prospects. Sato has assumed personal responsibility for support of US strategy on China's UN seat, and this has increased his vulnerability to critics seeking a rapid rapprochement with the mainland.

At the same time, according to press reports, a Sato-appointed commission of Diet members has drafted a resolution that calls for recognition of the Peking regime as the legitimate government of China and asserts that Taiwan is part of China. This proposal is now before the party's leadership.

This resolution would seem to have gone beyond what Sato had in mind when he named the commission nearly a year ago to review Japan's policy toward China. The members, all of whom are Liberal Democrats and generally responsive to Sato, apparently considered such a departure necessary in order to pre-empt a stronger multi-party resolution prepared by advocates of close ties with Peking.

Communist China, for its part, has been trying to stimulate domestic pressures on Sato. Early this month Peking for the first time invited two prominent Liberal Democrats to visit, and its comment on Sino-Japanese problems has taken an increasingly moderate tone.

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NOTE

Chile: A number of recent reports indicate that many military officers are expressing discontent with the Allende government. Some complain over the effects of current social and economic programs, while others object to the latitude given the Communists and more extreme leftists.

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Allende is well aware of the dissatisfaction and almost certainly will blunt it with such devices as pay raises and changes of assignment.

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